Date:10/06/93
Page:1

JFK ASSASSINATION SYSTEM

IDENTIFICATION FORM

AGENCY INFORMATION

AGENCY : SSCIA
RECORD NUMBER : 157-10011-10078

RECORDS SERIES :

AGENCY FILE NUMBER :

DOCUMENT INFORMATION

ORIGINATOR : UNKNOWN
FROM :
TO :

TITLE :
TESTIMONY OF OSBORN, HOWARD J.

DATE : 02/17/75
PAGES : 22

SUBJECTS :
MAJOR SUBJECTS TO BE COVERED IN TESTIMONY OF OSBORN, HOWARD

DOCUMENT TYPE : PAPER, TEXTUAL DOCUMENT
CLASSIFICATION : T
RESTRICTIONS : REFERRED
CURRENT STATUS : P
DATE OF LAST REVIEW : 09/29/93

OPENING CRITERIA :

COMMENTS :
SSCI Box 288, Folder 9

Send to CIA 3/2/94

Classified annex

[R] - ITEM IS RESTRICTED

[redacted]

288-9

TOP SECRET (XGDS) [redacted]

MAJOR SUBJECTS TO BE COVERED IN THE TESTIMONY OF HOWARD J. OSBORN

February 17, 1975

Background of Mr. Osborn

See the written statement submitted to the Commission by Mr. Osborn dated February 11, 1975.

Activities of the Office of Security Giving Rise to Questions

1. Taping Systems in Certain CIA Offices

In the offices of the DCI, the Deputy DCI, the Executive Director-Controller, the Deputy Director for Support (now Administration), the Director of Security, and the Deputy Director of Security, a system of telephone taps and microphones has existed. This system has made it possible to record covertly any telephone conversation or office conference taking place in those offices. All CIA officials in whose offices such equipment was installed were fully aware of its presence and its capability of being activated only by them. Portions of the system have been disconnected in recent years.

2. Covert Uses of Listening Devices by the Office of Security

In each instance the installation of listening devices was expressly approved by the Director of Central Intelligence:

a. A conversation which occurred in a motel between Victor Marchetti and Admiral Rufus Taylor, former Deputy Director of Central Intelligence, was covertly recorded. This was a meeting arranged by Admiral Taylor for the purpose of attempting to persuade Mr. Marchetti not to divulge sensitive information in a book which he was then writing;

b. Interviews with defectors have been covertly recorded from time to time;

c. With the approval of Attorney General Katzenbach, a telephone tap was placed on the telephone of a CIA employee who was alleged to be a spy of a foreign country;

TOP SECRET (XGDS 5B(2) EO 11652
By Authority of: ____________

d. Polygraphs of job applicants and some contractors have been routinely covertly recorded;

e. The field offices of the CIA have from time to time installed covert recording devices to record conversations of CIA employees with others where there was some reason to be concerned about the loyalty of such employees.

3. Physical Surveillance

Physical surveillance of individuals in this country has been very rare as far as the Office of Security is concerned. Circumstances under which surveillance has been conducted have been limited to the following:

a. CIA employees and contract agents believed to be divulging classified information to unauthorized persons;

b. [redacted] to find out if he was getting information from current employees of the CIA;

c. Jack Anderson, Les Whitten and another legman to determine their sources of classified information, and [redacted] a staff writer for [redacted] for the same purpose;

d. A female contact of the Latin American Division (and some of her associates) who reported to the CIA the existence of a plot to assassinate the Vice President and to kidnap the Director of Central Intelligence.

4. Watergate Contacts

a. The McCord Letters

b. The Pennington Matter

c. Assistance to E. Howard Hunt and White House re Ellsberg

5. Covert Informers Employed by the Agency

a. Within the Agency and Its Contractors
The Office of Security employs a wide range of confidential informers from among the general roster of employees of the Agency. Included here are plumbers, chauffeurs, guards, telephone maintenance men, electricians, members of the char force, etc. These

employees are paid additional compensation to act as infomers and to report to the Office of Security on any potential security problems which they observe among their fellow employees at the Agency.

A few outside employees, i.e., non-employees of the Agency, are also retained for the same purpose. This would include employees of the telephone company and construction workers engaged in the construction of Agency buildings. In all instances, however, the purpose is to maintain security among CIA employees and those working for CIA contractors.

[redacted]

b. Outside the Agency

In 1967 and 1968 the Office of Security arranged for Anderson Security Associates to have its employees attend meetings and other functions of various organizations thought to represent potential threats to CIA personnel or installations and to report on such threats. A list of organizations to be checked for indications of such threats was provided to Anderson Security Associates, which in turn provided regular reports to the Office of Security on the activities of the organization monitored.

There was also coordination between the Office of Security and local police departments to cover the same activity. An effort was made to determine the size of anticipated demonstrations and to anticipate what security forces would be necessary to cope with them.

In 1967 and 1968 the Office of Security directed the field offices to solicit or report information on anti-war and dissident elements. The CIA was concerned about the safety of its personnel, such as recruiters on college campuses, and its offices around the country. The field offices were directed at about that time to establish a clipping service on campus and other newspapers to report on organizations and individuals who might represent threats to CIA personnel or offices.

As a result of the information fed into the Office of Security relating to organizations and individuals who may represent such threats, a substantial number of files were accumulated on individuals and organizations.

6. Mail Intercept Programs in New York and San Francisco

7. Cover Operations Using Local Police Cover

Arrangements were made several years ago with [redacted] of the Fairfax County, Va., Police Department for the issuance of badges and other police identification for use by CIA security personnel. This involved about 15 sets of identification.

These badges and other identification were never used by the CIA. They were all returned to [redacted]

Similar arrangements have been made with other police departments.

Strict orders were issued that the use of identification as local police officers was to be limited strictly to situations involving actual cover for surveillance purposes.

8. Training of State and Local Police and Other Assistance

Assistance was rendered to many local police departments, including those of the cities of New York and Chicago, and to the Maryland and Virginia state police during the period 1965 to 1972. He states that this program was vigorously and enthusiastically approved and supported by Mr. Helms.

Assistance consisted of training of personnel, the loaning of equipment, and the declassification of materials and techniques in such areas as photo analysis, surveillance techniques, metals detection, explosives detection, locks and picks, hidden microphones, telephotography and covert photography, and the setting up, handling, and organization of intelligence operations.

This program was terminated upon passage of an amendment to the Law Enforcement Assistance Act, which prohibited assistance to local and state police departments by the CIA.

9. Break-Ins Without Warrants

Mr. Osborn states that the only break-ins which have occurred to his knowledge by security personnel of the CIA have been those involving employees, former employees, or CIA contact agents who were under investigation for suspected disclosure or classified information.

10. Counter-Audio Sweeps

At the request of other departments and agencies, including Congressional Committees, the Office of Security conducts "counter-audio sweeps" of their offices to protect against telephone taps, hidden microphones, and other intercepts of audible communications.

COMMISSION ON CIA ACTIVITIES WITHIN THE UNITED STATES
Washington, DC 20500

February 13, 1975

MEMORANDUM FOR THE FILE

FROM: ROBERT OLSEN

SUBJECT: Summary of an Interview of Howard Osborn, conducted on February 10 and 11 in the offices of the Commission by Mr. Robert B. Olsen

Present throughout the interview, which was conducted from 2:00 pm to approximately 5:30 pm on February 10 and from 12 noon until 2:45 pm and from 4:45 pm to approximately 8:00 pm on February 11, was the attorney for Mr. Osborn, Jack Debelius.

Mr. Osborn appeared voluntarily at the request of the Commission staff. At the outset, Mr. Debelius raised a series of questions:

1. He asked us to supply an outline of the authority of the Commission. He was handed a copy of the Executive Order creating the Commission and spelling out its duties and powers.

2. He asked whether the Commission had subpoena powers, and he was advised that it did not.

3. He asked whether the Commission had power to grant immunity to witnesses, and he was advised that the Commission does not have such power.

4. He asked what liaison has been established, or will be established between the Commission and the various Senate and House Committees which will be investigating the CIA and other intelligence activities. He was told that the Commission expects to establish such liaison, but that none of the ground rules or arrangements have yet been agreed upon.

5. He asked whether Mr. Osborn would have an opportunity to review the transcript of any recorded testimony that he may give to the Commission or to the Commission staff. He was told that the Commission staff had agreed upon a policy of allowing any witness to examine the transcript of his own testimony.

6. He asked whether Mr. Olsen had been cleared for security and whether Mr. Osborn was free to reveal all levels of classified information in the course of the interview. He was advised that such a clearance had been obtained for Mr. Olsen and that Mr. Osborn was free to answer fully any questions put to him within the scope of the responsibilities of the Commission.

Mr. Debelius stated that he had carefully reviewed his own situation as a former employee of the Office of Security within the CIA and that he had concluded that there was no prospect that he would be called as a witness either by the Commission or by any Congressional or other committee. Hence, he did not feel that there would be any conflict in his representation of Mr. Osborn under the canons of ethics applicable to the legal profession.

Background of Mr. Osborn

Howard Osborn graduated from the Virginia Polytechnic Institute in 1940 and shortly thereafter entered the military service. After World War II he was briefly with Firestone Tire and Rubber Company, and then joined the Central Intelligence Agency in late 1947. He served in various assignments within the United States and Europe prior to September 1963, including assignment as Assistant to the Inspector General and positions within the Directorate of Plans. In September 1963 he was named Deputy Director of Security. At that time the Director of Security was Bob Bannerman. On July 1, 1964, he was named Director of Security, and he continued in that position until early March 1974 when he applied for disability retirement and went on sick leave. He was retired on disability on December 31, 1974, having not returned to work since going on sick leave on March 8, 1974. He states that he had no involvement whatever with Agency activities after March 8, 1974.

Activities of the Office of Security

The Office of Security provides guards and security personnel to protect the physical facilities of the Agency. It has responsibility for overall security measures for all CIA installations, both in the United States and in foreign countries.

Counter-Audio Sweeps

At the request of other departments and agencies of the United States Government it conducts "counter-audio sweeps" of their offices to protect against telephone taps, hidden microphones, and other intercepts of audible communications.

In the case of Congressional committees and subcommittees, it conducts such sweeps of hearings rooms on the occasion of classified presentations by CIA personnel. Mr. Osborn further stated that there may have been other occasions when such sweeps were made of Congressional committee rooms, at the committee request, where classified presentations were to be made. Mr. Osborn does not, however, specifically recall such other occasions.

It also seems to Mr. Osborn that the Office of Security has made similar counter-audio sweeps for one or more individual congressmen or senators of their offices in the Senate or House Office Buildings, but he again has no specific recollection. The Office of Security also makes such sweeps of the homes of officials of the CIA with their knowledge.

He knows of no case in which the CIA has made a sweep of any other residences.

It does make sweeps of private firms who have CIA contracts, but always with the knowledge and consent of the firm.

He states that his Office has never used equipment for counter-audio sweeps for "positive intelligence."

The sweeps conducted included physical inspection, checking all telephones for taps, checking desks, walls, ceilings and floors for listening devices or radio receivers, and may involve such sophisticated measures as counter-laser measures and the use of a Dodge mobile home equipped with sophisticated equipment capable of picking up a radio transmission from nearby premises.

Taping Systems in Certain CIA Offices

Mr. Osborn stated that Mr. Helms had authorized for use in his office, in the office of the Deputy Director of Central Intelligence, in the office of the Executive Director-Controller, in the office of the Deputy Director for Support (now Administration), in the office of the Director of Security, and in the office of the Deputy Director of Security a system of telephone taps and secret microphones which made it possible to record covertly any telephone conversation or office conference taking place in those offices. The taping system could be activated with respect to telephones by depressing a button on the telephone in the office or on the telephone at the desk of the secretary in the adjacent office. The taping system to record office conversations would be activated by depressing a button under the carpet in the vicinity of the desk of the person occupying that office. All CIA officials in whose offices such equipment was installed were fully aware of its presence and its capability of being activated only by them.

The recorded conversations from all of these offices, except those in the Office of Security, were recorded in a central bank of recorders located in the basement of the building. Those emanating from the Office of the Director of Security or Deputy Director of Security were recorded on twin recorders located down the hall from those offices.

All recorded telephone and office conversations were transcribed. In some instances the tapes were retained, and in some instances they were erased. It is not known whether the Agency retains any copies of the typed transcripts. From time to time, particularly as an official has departed from the CIA, he has ordered tapes erased and transcripts destroyed.

Mr. Osborn reports that Mr. Colby directed the removal of the recording and telephone taping equipment from his office when he became Executive Director-Controller of the Agency and again when he became Director of Central Intelligence. Mr. Bannerman also had the equipment taken out of his office when he became Deputy Director for Support (Administration). Apparently all other officials in whose offices such equipment was installed used it from time to time.

Positive Uses of Counter-Audio Equipment

Mr. Osborn stated that he wishes to clarify his previous testimony that counter-audio had not been used in a positive sense. What he meant was that it had not

been used in the positive sense under any of the circumstances referred to above. There were, however, several situations in which telephone tapes and covert recording devices were employed by the Office of Security:

1. A conversation which occurred in a motel between [redacted] and Admiral Rufus Taylor, former Deputy Director of Central Intelligence, was covertly recorded. This was a meeting arranged by Admiral Taylor for the purpose of attempting to persuade [redacted] not to divulge sensitive information in a book which he was then writing;

2. Interviews with defectors have been covertly recorded from time to time;

3. With the approval of Attorney General Katzenbach, a telephone tap was placed on the telephone of a CIA employee who was alleged to be a spy of a foreign country;

4. Polygraphs of job applicants and some contractors have been routinely covertly recorded;

5. The field offices of the CIA have from time to time installed covert recording devices to record conversations of CIA employees with others where there was some reason to be concerned about the loyalty of such employees. In each instance the installation of such listening devices was expressly approved by the Director of Central Intelligence. Mr. Osborn recalls only three such instances:

   a. In 1972-73 such a device was installed in an effort to uncover details where an old defector was being forced to make kickbacks of his compensation from CIA to his CIA case officer;

   b. At a date which could not be recalled by Mr. Osborn a device had been installed to record activity of a female employee of the CIA who had become closely and intimately associated with persons believed to be dissidents;

   c. In about 1968 or 1969 at the request of Mr. Frank Bartamo of the Department of Defense the CIA planted listening devices at the apartment of a serviceman doing highly sensitive cryptographic work. This was done with the full knowledge of Mr. William Sullivan of the FBI. Mr. Osborn speculates that the CIA was called upon to accomplish this task for the Department of Defense because Mr. Sullivan believed that J. Edgar Hoover, Director of the FBI, would not approve.

Mr. Osborn states that there may have been other instances where such listening devices were installed within the United States, but he does not recall any others. He is emphatic to the effect that after President Johnson issued an Executive Order prohibiting telephone taps without the authority of the Attorney General, the CIA never to his knowledge covertly tapped a telephone within the United States except in the one incidence authorized by Attorney General Katzenbach.

Physical Surveillance

Mr. Osborn states that physical surveillance of individuals in this country has been very rare as far as the Office of Security is concerned. He doubts that it has exceeded ten times during his tenure in the Office of Security.

He describes those circumstances under which surveillance has been conducted as being limited to the following:

1. CIA employees and contract agents believed to be divulging classified information to unauthorized persons;

2. [redacted] to find out if he was getting information from current employees of the CIA;

3. Jack Anderson, Les Whitten and another legman to determine their sources of classified information, and [redacted] a staff writer for [redacted] for the same purpose;

4. A female agent of the Latin American Division who reported to the CIA the existence of a plot to assassinate the Vice President and to kidnap the Director of Central Intelligence. This surveillance was conducted under the supervision of Mr. Ober, of the Directorate of Operations, with the full knowledge of the FBI.

   Also included in this surveillance was some of the contacts of this agent in Detroit, Miami, and New York City. The agent involved here was Thelma King, and the surveillance took place in 1971. (Mr. Osborn reports that a conversation between Miss King and her case officer in a New York hotel was also covertly recorded.)

Mr. Osborn is emphatic to the fact that every instance of physical surveillance in his experience was authorized by the Director of Central Intelligence except that Mr. Brownman, the Deputy Director for Administration, may have been the official to authorize the surveillance of employees, but it is possible that these also were approved by Mr. Colby as DCI. Mr. Osborn is also emphatic to the effect that no member of Congress has ever been placed under physical surveillance, has ever had his telephone tapped, has ever been covertly monitored with respect to any conversations or communications, or has ever had a security check performed on him by the CIA.

Watergate Contacts

1. The McCord Letters: Mr. Osborn states that a letter directed to Mr. Helms in late June 1972 was referred to his office as a part of the "crank mail" received that day. He recognized the signature on the letter as being that of a former employee of the Office of Security, Mr. James McCord. Mr. McCord had shortly before that been arrested in connection with the breakin at the Democratic National Headquarters on June 16, 1972. Mr. Osborn states that he immediately brought this letter to the attention of Richard Helms, the DCI.

McCord Letters (continued)

Mr. Helms directed that the letter should be retained in the file, but that nothing further should be done about it and that he would take care of it. Thereafter a series of letters were received from Mr. McCord by Paul Gaynor, then the Chief of Security Research Staff within the Office of Security. These letters were received by Mr. Gaynor at his home. Each letter was promptly brought to the attention of Mr. Helms. The thrust of these letters was that the Committee to Re-elect the President and high officials within the Nixon Administration were planning to blame the CIA for the Watergate break-in. Mr. Helms directed that these letters not be referred to the Justice Department and that he would take care of them. Mr. Osborn recalls being present when the matter was discussed with the General Counsel of the CIA, Mr. Houston, who advised that the CIA was not obligated to reveal these letters to the Justice Department.

At a much later date, Mr. Osborn gave full testimony with respect to these McCord letters and the actions regarding them to the Nedzi Subcommittee of House Appropriations Committee and to the counterpart Senate Subcommittee.

2. The Pennington Matter: For many years a man named Lee Pennington, a former FBI agent, has been retained by the CIA as a confidential informant. His compensation from the CIA has been $250 per month. Mr. Osborn stated that he has no idea what kind of information has ever been supplied to the Agency by Mr. Pennington in exchange for the compensation paid him.

In August 1972 Mr. Osborn was on vacation during the time his deputy, Ermal Geiss, was in charge of the Office of Security. (The Office of Security had been designated by the DCI as the liaison with all other governmental agencies and departments relating to Watergate matters.)

While Mr. Osborn was on vacation an FBI agent named Arnold Parham contacted the Office of Security and requested information on a man simply named "Pennington". The request was directed to Steve Kuhn of the Office of Security. Mr. Kuhn's deputy, Hollis Whitaker, took the request of agent Parham to Ermal Geiss and asked whether the FBI should be given the names of both Penningtons or just one of them. Mr. Geiss instructed Whitaker that Parham should be supplied only with the name of Cecil Pennington, a retired employee of the CIA, who was not related in any way to Lee Pennington. Geiss instructed Whitaker that Lee Pennington's name should not be given to Parham.

Mr. Geiss would have known that James McCord while he was employed in the Office of Security had acted as the case officer for Lee Pennington, that McCord was involved with the Watergate break-in, and that the FBI was really interested in Lee Pennington.

Mr. Osborn states that all of the above information came to his attention in February 1974 and that he had no knowledge of it until that time.

Pennington Matter (continued)

Lee Pennington and a man named Charles Wylie were the only two confidential informants who Osborn can think of who were emploveed as such by the Office of Security during his tenure with that office. (This is in addition to CIA employees and the employees of propriety investigating companies who have been used as informants.) Mr. Wylie was a journalist and writer who was paid $10,000 per year, plus certain travel expenses, by the CIA to act as an informant, but Mr. Osborn has no idea what kind of information he provided to the Agency in recent years. He does recall that many years ago Wylie provided information regarding the Vienna, Austria, Youth Festival and also some information gathered on the trip he made to Japan. Mr. Osborn states that he has never met Lee Pennington or Charles Wylie, nor has he ever talked with either of them in person or by telephone.

(Mr. Pennington was apparently terminated as a CIA informant on December 31, 1973.) Mr. Osborn states that he "started action" to terminate Wylie in about January or February 1974. He thought that Wylie had never provided anything to the Office of Security and that it was "no time to have a domestic informant."

Both Pennington and Wylie had been informants for the Office of Security for many years. They had been retained in that capacity even before Mr. Osborn became Deputy Director of Security in 1963.

In February 1974 in connection with a search of files in the Office of Security some indication was turned up that Mr. Osborn had been informed in January 1973 about the fact that Lee Pennington had entered the home and the office of James McCord at the request of Mrs. McCord on January 22, 1972, to locate and destroy records which would have revealed a "link" between Mr. McCord and the CIA. Mr. Osborn denies that he received any such information. The information was allegedly given to him by Paul Gaynor, Chief of Security Research, in the Office of Security.

Mr. Gaynor retired in 1973 at the request of Mr. Osborn, who had been directed to cut a GS-16 from his staff in a personnel reduction move. He states that Mr. Gaynor accepted this request gracefully and retired.

Osborn and Gaynor have never discussed with each other the subject of Lee Pennington or the deception practiced on the FBI in August 1972. Osborn does not think that Gaynor opened up the subject, but he does believe that Gaynor has testified before either one of the Congressional committees investigating Watergate or the Special Prosecutor's Office.

After Mr. Gaynor retired, Lou Vasaly of the Office of Security has handled contacts with Wylie and Pennington.

In January or February 1974 Mr. Osborn sent Sidney Steinbridge of the Office of Security to New York to terminate Mr. Wylie.

Lee Pennington died in the fall of 1974 of natural causes. He was in his middle 70's.

Watergate Contacts (contineud)

3. Assistance to E. Howard Hunt re Ellsberg Break-In

Mr. Osborn states that the Office of Security had no involvement whatever with the assistance rendered by the CIA to Mr. Hunt in connection with the break-in of the offices of Ellsberg's psychiatrist and that he had no knowledge of that matter prior to the break-in. He is now acquainted with the White House request made to General Cushman for assistance to Mr.Hunt in 1971. He is also now familiar with the fact that the CIA provided to Mr. Hunt disguise equipment, false identification papers, and a camera , in response to the White House request. He also now knows that Mr. Hunt arranged for the development of the photographs which he had apparently taken on the occasion of the break-in at the office of Mr. Ellsberg's psychiatrist.

In 1971 Mr. Osborn received a request from Mr. Young at the White House for the psychological profile on Daniel Ellsberg. He says that Mr. Young stated that the White House had been very pleased with the profile which had been developed by the CIA on Fidel Castro and would like the same kind of profile on Ellsberg.

Osborn stated that he responded to Young that the CIA personnel had a great deal of biographical material on Ellsberg. Young assured Osborn that the White House would provide material on Ellsberg. Osborn responded that such a request would have to be approved by the DCI, Mr. Helms.

Osborn then took the matter to Mr. Helms, who approved the project and told him to provide the requested assistance to Young.

Young thereafter sent materials from time to time to Osborn relating to Ellsberg. It was Osborn's impression that these materials were very fragamentary and would not be sufficient to provide a meaningful psychological profile . Nonetheless, the request and the materials were turned over to the doctors at CIA and a draft of a profile was ultimately worked up. Mr. Young did not appear to be very well pleased with the draft.

Mr. Osborn surmises that the break-in at the offices of Dr. Fielding (Ellsberg's psychiatrist) was accomplished for the purpose of gathering more information with which to develop a better psychological profile.

Covert Informers Employed by the Agency

The Office of Security employs a wide range of confidential informers from among the general roster of employees of the Agency. Included here are plumbers, chauffeurs, guards, telephone maintenance men, electricians, members of the char force, etc. These employees are paid additional compensation to act as informers and to report to the Office of Security on any potential security problems which they observe among their fellow employees at the Agency. If an employee, for example, has been convicted of a crime or is thought to be engaging in any contact which would make him susceptible to blackmail, that matter is supposed to be reported to the Office of Security. Likewise, if any employee is observed conducting himself in a suspicious manner, such as requesting information from files which do not concern him, that is to be reported.

A few outside employees, i.e., non- employees of the Agency, are also retained for the same purpose. This would include employees of the telephone company. In all instances, however, the purpose is to maintain security among the CIA employees and those working for the CIA.

The only staff employees retained as informers are those who work in the records office of the Directorate of Operations. Several staff employees in that office were recruited at the request of Mr. Thomas Karamessines because of the extremely high level of sensitivity and the records maintained in that office.

When the CIA Headquarters was constructed in the late 1950's, the Office of Security recruited various members of the construction work force to maintain security against the installation of listening devices, telephone taps, or other penetrations of the premises. [redacted]

In 1967 and 1968 the Office of Security arranged for the Anderson Security Associates to have its employees attend meetings and other functions of various organizations thought to represent potential threats to CIA personnel or installations and to report on such threats. A list of organizations to be checked for indications of such threats was provided to Anderson Security Associates, which in turn provided regular reports to the Office of Security on the activities of the organization monitored.

Anderson Security Associates was in reality run by Mr. Ralph True, a CIA Headquarters case officer, who also ran a similar wholly-owned proprietary company on the West Coast, General Personnel Investigations, Inc.

The Anderson company has since folded.

[redacted]

Surveillance of Dissident Groups and Activity

It has been mentioned above that Mr. Osborn informed us of the activity of the Anderson Security Associates in maintaining in the Washington, D.C. area a check on individuals and organizations who would represent potential threats to CIA personnel or organizations.

There was also coordination between the Office of Security and local police departments to cover the same activity. An effort was made to determine the size of anticipated demonstrations and to anticipate what security forces would be necessary to cope with them.

In 1967 and 1968 the Office of Security directed the field offices to solicit or report information on anti-war and dissident elements. The CIA was concerned about the safety of its personnel, such as recruiters on college campuses and its offices around the country. Its recruiting office in Ann Arbor, Michigan, had been bombed at about that time. Mr. Osborn also believes that the field offices were directed at about that time to establish a clipping service on campuses and other newspapers to report on organizations and individuals who might represent threats to CIA personnel or offices.

As a result of the information fed into the Office of Security relating to organizations and individuals who may represent such threats, a substantial number of files were accumulated on individuals and organizations.

Mail Intercepts

Mr. Osborn reports that a mail intercept program in New York City began in about 1952 and ended in 1973. He learned of this program when he became Director of the Soviet-Russian Division in the Operations Directorate. He states that the program involved the identification of parties within the United States sending and receiving mail with persons in the Soviet bloc countries and the identification of the persons in the Soviet bloc sending and receiving such mail. Selected items of mail were also opened and photographed, and then resealed and forwarded. Mr.Osborn states that he cannot recall any specific use made by the CIA of the information so obtained. The primary purpose of the program as he understood it was to provide information to the FBI. He recalls several conferences regarding the program. It was his position that the three personnel from the Office of Security who worked on the program were not performing any useful service for the Office of Security, that it was a drain on the budget of his office, and that the CIA had no business tampering with the mail in the first place. Mr. Colby, when he was Executive Director-Controller of the Agency, supported Mr. Osborn's position on the matter. It was opposed by Mr. Angleton of the Directorate of Operations, who argued primarily that the information derived from the project was vitally necessary to the FBI. Mr. Helms elected to have the program continue. It was finally terminated by Mr. Colby during the time that Mr. Schlesinger was DCI in 1973.

Mr. Osborn also thought that continuation of the program was too risky in the light of public and Congressional attitude toward the CIA. He thinks that the program originated while Allen Dulles was DCI and that it was undertaken with the knowledge and consent of the Postmaster General. However, this is hearsay, according to Mr. Osborn.

Mr. Osborn is also acquainted with the fact that from 1969 to 1971 the project of mail surveillance occurred from time to time in San Francisco. The Office of Security made the arrangements with the Post Office Department for this program, but it was carried out by the Far East Division and the Technical Services of the Directorate of Operations. The Technical Services Division at that time was headed by Rod M. Kenner, who is now retired and living in Florida.

The arrangements with the Post Office Department were made by Jack Turton of the Office of Security. Mr. Osborn has only the vaguest knowledge of the purpose of this project and could offer no further light than that it involved some checking on the stamping and postmarking of mail from the Peoples Republic of China. The project was orally okayed by Mr. Helms. Mr. Osborn has no knowledge of any other mail undercover projects in New Orleans or elsewhere.

Cover Operations Using Local Police Cover

Mr. Osborn stated that arrangements were made several years ago with [redacted] of the Fairfax County, Virginia, Police Department for the issuance of badges and other police identification for use by CIA security personnel. It is Mr. Osborn's recollection that this involved about 15 sets of identification.

These badges and other identification were never used by the CIA. They were all returned to [redacted]

This arrangement was inspired by difficulties which had been encountered by security personnel in conducting a physical surveillance of [redacted] It seems that [redacted] lived in a residential community and his home was situation on a cul-de-sac. This made it extremely difficult to cruise by his home or station a security car anywhere near his home without attracting the attention of other residents in the neighborhood. Security personnel who may have been sitting in a car within several blocks of the [redacted] residence would have attracted the curiosity of the residents and the operation would be threatened if such residents approached the car and asked what the occupants were doing there and if they were given straight-forward answers. According to Mr. Osborn, it was highly desirable that the security personnel be able to respond to such inquiries by saying that they were police performing official duties. Most citizens, he says, would accept that as sufficient, whereas their curiosity would be even further aroused if the security personnel identified themselves as being with the CIA.

Mr. Osborn states that he had issued strict orders that the use of identification local police officers was to be limited strictly to situations involving actual cover for surveillance purposes.

Mr. Osborn seems to recall that the Office of Security had similar arrangements with the Washington, D. C. Metropolitan Police Department, and he thinks that there were instances in which such cover was actually used, but he does not recall specific cases. He also states that it is possible that CIA field offices would have used similar cover of local police departments, but he has no knowledge of such instances.

Wire Taps

Mr. Osborn states that he has no acquaintance with the wire taps made of the office and home phones of two syndicated columnists in Washington in 1962 and 1963, which wire taps are revealed in the file as having been authorized by Attorney General Robert Kennedy. (The file reveals continuation of activity with respect to the surveillance of these columnists into the period of when Mr. Osborn was in the Office of Security as its Deputy Director. The file does not, however, show any indication of actual awareness on the part of Mr. Osborn that telephone tapping was involved. On the contrary, there are indications in the file that these telephone taps were discontinued immediately prior to Mr. Bannerman becoming the Director of Security in 1963, at which time Mr. Osborn also became the Deputy Director of Security.)

Training of State and Local Police and Other Assistance

Mr. Osborn states that assistance was rendered to many local police departments, including those of the cities of New YOrk and Chicago, and to the Maryland and Virginia state police during the period 1965 to 1972. He states that this program was vigorously and enthusiastically approved and supported by Mr. Helms.

Assistance consisted of training of personnel, the loaning of equipment, and the declassification of materials and techniques in such areas as photo analysis, surveillance techniques, metals detection, explosives detection, locks and picks, hidden microphones, telephotography and covert photography, and the setting up, handling, and organization of intelligence operations.

This program was terminated upon passage of an amendment to the Law Enforcement Assistance Act, which prohibited assistance to local and state police departments by the CIA.

Mr. Osborn feels very strongly that the program of cooperating with and assisting police departments in improving their capability to fight crime was proper and that its termination is a serious disservice to the American people. Referring to the prohibition on CIA "police and law enforcement functions" in the National Security Act of 1947, Mr. Osborn is of the opinion that the CIA in sharing its information and technical developments with state and local police departments was not exercising any police or law enforcement function.

The Huston Plan

Mr. Osborn states emphatically that the Office of Security had no knowledge whatever in developing or assisting in the so-called "Huston Plan," relating to domestic security operations. He states that he had never heard of it until it hit the papers at the time of the Watergate investigation. All relationships with the Inter-Agency Domestic Intelligence unit was handled for the CIA by Mr. Helms and Mr. Ober.

The Nosenko Affair

Nosenko was a KGB agent who defected to the United States in Switzerland in the early 1960's. His interrogation was handled under the supervision of the SR Division of the Directorate of Operations, especially by David Murphy and Peter Bagley of the SR Division.

Mr. Osborn states that he repeatedly protested the treatment of Nosenko. After more than two years of solitairy confinement in a special facility for which the Office of Security provided all security measures, Mr. Bruce Solie of the Security Office finally arranged for the release of Nosenko and gradually increased his privileges and freedom.

Mr. Osborn states that Nosenko has proved to be the most valuable defector in the entire history of the CIA. He has been responsible for identifying nine Soviet agents, including a major in the Pentagon.

Surveillance of Justice Douglas

Mr. Osborn has no knowledge of the alleged surveillance of Justice Douglas (referred to in an article in The Washington Post on February 3, 1975, page D-11).

Contact with The White House

Mr. Osborn states that he was not involved and has no information regarding any request from the White House for files relating to the coup in which Premier Diem was overthrown in Vietnam, or regarding the Bay of Pigs operation in Cuba. The CIA personnel who would have been involved in such matters were William Nelson, Deputy Director of Operations, on the Bay of Pigs matter; and George Carver, then Special Assistant to the DCI for Vietnam affairs, with respect to the Diem coup.

The only other contact of any nature with the White House recalled by Mr. Osborn was one which he seems to remember occurring in about 1963 when the Office of Security was consulted by the Secret Service with respect to counter-audio measures to protect against bugging and wire taps in the White House. He thinks this occurred during the Presidency of Lyndon Johnson.

Unauthorized Break-Ins

Mr. Osborn states that the only break-ins which have occured to his knowledge by security personnel of the CIA have been those involving employees, former employees, or CIA contact agents who were under investigation for suspected disclosure of classified information. (Details are in the files provided to the Commission.)

General

Mr. Osborn states categorically that the Office of Security has never to his knowledge:

-- conducted any audio surveillance, telephone taps, physical surveillance or personal investigation of any member of Congress or public official;

-- maintained any file for political or other improper purpose of anv such congressmen or public official;

-- pulled any file for examination for purpose of checking up on anv such member of Conress or public official.

Mr. Osborn states that he does not recall any instance during his career with the CIA to which anv particular activity of the Agency was examined in the specific light of Section 403 of the National Security Act of 1947; i.e., he does not recall anv assessment of a proposed or ongoing activity from the st dpoint of whether it was improper as a "police", "law enforcement", or "internal security" function.

Impression

Mr. Osborn impresses the interviewer as being honest, intelligent, and dedicated to the interests of the United States and its people. His memory appeared to be in error in some details, but considering the wide range of the interview and the time period involved, coupled with the wide breadth on responsibilities and the number of personnel under his supervision in the Office of Security, this is to be expected.

There is one area in which the interviewer was doubtful concerning the complete candor of Mr. Osborn. That was the area of his knowledge concerning the Pennington matter.

Feb. 11, 1975
Osborn

STATEMENT

Mr. Vice-President, Governor Reagan, distinguished members of this Commission. I am here willingly at your invitation; I shall answer all of your questions fully and candidly.

My federal service has extended over a 32 year period, 27 of those years were spent with the Central Intelligence Agency. I am proud of my service with the C.I.A., and I am proud of the thousands of dedicated men and women with whom I worked in the C.I.A. I retired from the C.I.A. on December 31, 1974, after having been on sick leave from March 8, 1974, until the date of my retirement. My last ten years of active service with the C.I.A. were spent as the Director of Security. I was responsible to the Director C.I.A. and to other senior C.I.A. officials for personnel security and for the security and protection of classified information, data and installations, both in the United States and abroad. During my tenure as Director of Security, I served successively under Mr. John A. McCone, Admiral William Raborn, Mr. Richard Helms, Mr. James R. Schlesinger and Mr. William F. Colby.

I am aware of allegations given recent prominence by the news media that C.I.A. conducted improper activities in the United States. Since my departure from active status in March, 1974, I have had no access to Agency files or records with which to verify or refute such charges. I can assure the members of this Commission my full cooperation but it is possible that my recollection of dates and details may be imprecise or unclear without access to particular files and records of the C.I.A. To

the best of my knowledge and belief, all of the actions and activities in which _ participated, or which I rected are recorded and documented in C.I.A. files.

At all times, while serving as Director of Security I acted with the knowledge and approval and at the instruction of the Director of C.I.A., and in many, if not most instances, with the knowledge and approval of other senior Agency officials in the chain of command. I should like to emphasize that Security in the Agency is a service and support function and its activities are not self-generated. Among other services, the Office of Security provided guidance and assistance to employees with personal problems; it provided support to other Agency components upon authorized request and performed tasks and special inquiri assigned to it by the Director of C.I.A. The Director of C.I.A. was empowered and directed by the National Security Act of 1947 to "protect intelligence sources and methods". By virtue of and extension of that authority, those actions and activities within my purview were designed to prevent potential penetration of the Agency by hostile intelligence services, afford protection to the Agency's domestic installations and to determine the sources of unauthorized disclosure of classified and sensitive intelligence information to public media.

While I am not now privy to precise statistical data, I believe the United States Government Agencies involved in intelligence activities can document the fact that the number of hostile foreign intelligence representatives in our country has increased significantly in the last ten years. One of their prime targets is the United States Intelligence Community.

Any investigation and review of C.I.A., or any other element of that community should be made within that context.

After many years of service in the security field, I can fully understand the extreme sense of frustration among the United States Government officials regarding unauthorized disclosure of classified information. It is devastating to read the contents of a highly classified document disseminated in the intelligence community and then a day or two later, to read the same information ad literatum in the press. I believe most firmly in freedom of the press, but I believe also that there should be a sense of responsibility accompanying such freedom; that sense of responsibility seems often to be buried or absent in the publication of classified information which could endanger our national security.

I welcome the opportunity to appear before this Commission and to assist it in acquiring facts relevant to its investigation. In the course of developing such facts, I am hopeful the Commission will look at the possible consequences of the Agency's failure to act even if the Commission should find fault with individual conclusions or judgments made by Agency officials.

I shall endeavor to answer all of your questions and I shall put aside my citizen's schield against self-incrimination. That decision is based on my desire to assist the Commission to the full extent of my ability and for the equally cogent reason that I do not believe that any action I performed was unlawful or in derogation of my duties to the United States Government.

Howard J. Osborn

HOWARD J. OSBORN

d. Polygraphs of job applicants and some contractors have been routinely covertly recorded;

e. The field offices of the CIA have from time to time installed covert recording devices to record conversations of CIA employees with others where there was some reason to be concerned about the loyalty of such employees.

3. Physical Surveillance

Physical surveillance of individuals in this country has been very rare as far as the Office of Security is concerned. Circumstances under which surveillance has been conducted have been limited to the following:

a. CIA employees and contract agents believed to be divulging classified information to unauthorized persons;

b. [redacted] to find out if he was getting information from current employees of the CIA;

c. [redacted] and another legman to determine their sources of classified information, and [redacted], a staff writer for the Washington Post, for the same purpose;

d. A female contact of the Latin American Division (and some of her associates) who reported to the CIA the existence of a plot to assassinate the Vice President and to kidnap the Director of Central Intelligence.

4. Watergate Contacts

a. The McCord Letters

b. The Pennington Matter

c. Assistance to E. Howard Hunt and White House re Ellsberg

5. Covert Informers Employed by the Agency

a. Within the Agency and Its Contractors
The Office of Security employs a wide range of confidential informers from among the general roster of employees of the Agency. Included here are plumbers, chauffeurs, guards, telephone maintenance men, electricians, members of the char force, etc. These

Physical Surveillance

Mr. Osborn states that physical surveillance of individuals in this country has been very rare as far as the Office of Security is concerned. He doubts that it has exceeded ten times during his tenure in the Office of Security.

He describes those circumstances under which surveillance has been conducted as being limited to the following:

1. CIA employees and contract agents believed to be divulging classified information to unauthorized persons;

2. Victor Marchetti to find out if he was getting information from current employees of the CIA;

3. Jack Anderson, Les Whitten and another legman to determine their sources of classified information, and Michael Getler, a staff writer for the Washington Post, for the same purpose;

4. A female agent of the Latin American Division who reported to the CIA the existence of a plot to assassinate the Vice President and to kidnap the Director of Central Intelligence. This surveillance was conducted under the supervision of Mr. Ober, of the Directorate of Operations, with the full knowledge of the FBI.

   Also included in this surveillance was some of the contacts of this agent in Detroit, Miami, and New York City. The agent involved here was Thelma King, and the surveillance took place in 1971. (Mr. Osborn reports that a conversation between Miss King and her case officer in a New York hotel was also covertly recorded.)

Mr. Osborn is emphatic to the fact that every instance of physical surveillance in his experience was authorized by the Director of Central Intelligence except that Mr. Brownman, the Deputy Director for Administration, may have been the official to authorize the surveillance of employees, but it is possible that these also were approved by Mr. Colby as DCI. Mr. Osborn is also emphatic to the effect that no member of Congress has ever been placed under physical surveillance, has ever had his telephone tapped, has ever been covertly monitored with respect to any conversations or communications, or has ever had a security check performed on him by the CIA.

Watergate Contacts

1. The McCord Letters: Mr. Osborn states that a letter directed to Mr. Helms in late June 1972 was referred to his office as a part of the "crank mail" received that day. He recognized the signature on the letter as being that of a former employee of the Office of Security, Mr. James McCord. Mr. McCord had shortly before that been arrested in connection with the breakin at the Democratic National Headquarters on June 16, 1972. Mr. Osborn states that he immediately brought this letter to the attention of Richard Helms, the DCI.

McCord Letters (continued)

Mr. Helms directed that the letter should be retained in the file, but that nothing further should be done about it and that he would take care of it. Thereafter a series of letters were received from Mr. McCord by Paul Gaynor, then the Chief of Security Research Staff within the Office of Security. These letters were received by Mr. Gaynor at his home. Each letter was promptly brought to the attention of Mr. Helms. The thrust of these letters was that the Committee to Re-elect the President and high officials within the Nixon Administration were planning to blame the CIA for the Watergate break-in. Mr. Helms directed that these letters not be referred to the Justice Department and that he would take care of them. Mr. Osborn recalls being present when the matter was discussed with the General Counsel of the CIA, Mr. Houston, who advised that the CIA was not obligated to reveal these letters to the Justice Department.

At a much later date, Mr. Osborn gave full testimony with respect to these McCord letters and the actions regarding them to the Nedzi Subcommittee of House Appropriations Committee and to the counterpart Senate Subcommittee.

2. The Pennington Matter: For many years a man named Lee Pennington, a former FBI agent, has been retained by the CIA as a confidential informant. His compensation from the CIA has been $250 per month. Mr. Osborn stated that he has no idea what kind of information has ever been supplied to the Agency by Mr. Pennington in exchange for the compensation paid him.

In August 1972 Mr. Osborn was on vacation during the time his deputy, [redacted] was in charge of the Office of Security. (The Office of Security had been designated by the DCI as the liaison with all other governmental agencies and departments relating to Watergate matters.)

While Mr. Osborn was on vacation an FBI agent named Arnold Parham contacted the Office of Security and requested information on a man simply named "Pennington". The request was directed to Steve Kuhn of the Office of Security. Mr. Kuhn's deputy, Hollis Whitaker, took the request of agent Parham to [redacted] and asked whether the FBI should be given the names of both Penningtons or just one of them. [redacted] instructed Whitaker that Parham should be supplied only with the name of Cecil Pennington, a retired employee of the CIA, who was not related in any way to Lee Pennington. [redacted] instructed Whitaker that Lee Pennington's name should not be given to Parham.

[redacted] would have known that James McCord while he was employed in the Office of Security had acted as the case officer for Lee Pennington, that McCord was involved with the Watergate break-in, and that the FBI was really interested in Lee Pennington.

Mr. Osborn states that all of the above information came to his attention in February 1974 and that he had no knowledge of it until that time.